



# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

February 8, 2011

Certified Return Receipt  
7009 3410 0001 4203 1324

Gary Applegate  
Great American Resources LLC  
P.O. Box 668  
Tooele, Utah 84074

Subject: Division Directive, Great American Resources LLC, Southern White/Mountain Rose Mine, S/001/0047, Beaver County, Utah

Dear Mr. Applegate:

Thank you for coming to the Division's office on February 7, 2011, to discuss the reclamation surety requirements and the need for a Notice of Intention to Commence Large Mining Operations (LMO). The Division agreed in this meeting that it will require a reclamation surety of \$31,600 for about 6.5 acres of disturbance and that interest in the Zions Bank account can be applied toward the surety.

By February 28, 2010, you are hereby directed to:

- **Submit an LMO application.**
- **Sign and return the attached Bond Schedule.**

The first payment toward increasing the reclamation surety, \$9100.00, will be due March 10, 2011, with the balance, \$3245.00, due six months later on September 10, 2011.

No increase in the size of the quarry is allowed until an amendment to the LMO is approved and the reclamation surety has been increased as required.

**Failure to provide the LMO application or the reclamation surety as directed may result in enforcement action being taken by the Division which may include a cessation order and subsequent fines.**

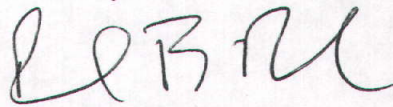




Page 2 of 2  
Gary Applegate  
S/001/0035  
February 8, 2011

If you have questions or concerns regarding this letter, please contact me at (801) 538-5261 or Tom Munson at (801) 538-5321. Thank you for your help in completing this very important regulatory requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB' followed by a stylized flourish.

Paul B. Baker  
Minerals Program Manager

PBB:tm:pb

Attachment: bond payment schedule

cc: [ed\\_ginouvest@blm.gov](mailto:ed_ginouvest@blm.gov)

P:\GROUPS\MINERALS\WP\M001-Beaver\S0010047-SouthernWhite-MtnRose\final\Directive-02082011.doc



## Payment Schedule for Great American Resources LLC

S/001/0047

**Table X**

Authorized Signature and Date Payment Received	Number	Due Date (by)	Payment Amount	Additional Pmt.	Total Received
Per the operator's request the interest earned on this account will be applied to the surety portion.	1	November 2010	\$655.00 – Interest earned		\$655.00
	2	March 10, 2011	\$9,100.00		\$0
	3	September 10, 2011	\$3,245.00		\$0
	4				\$0
	5				\$0
	6				\$0
	7				\$0

**Total amount required: \$13,000.00**

I agree to the amounts identified in this payment schedule as shown on Table X and will abide by the payment criteria. I understand all mine sites must be adequately bonded.

Operator \_\_\_\_\_  
Signature

Date \_\_\_\_\_



Agreed and Approved by Division:

Division Director \_\_\_\_\_  
Signature

Date \_\_\_\_\_